C O N F I D E N T I A L

Attachment VI

Performance of the Office of Finance in Phase II

1. **Scored exercise.**

    Phase II had only one scored exercise, and its purpose was to serve as a bridge from Phase I. Finance team efficiency scores ranged from 68% to -12%. The number of low scores was more than expected, and suggested that some of the lessons learned in Phase I had not been retained or else were difficult to apply in a real situation. At least one team never really came to grips with the reasons for its poor showing.

2. **Personal "feed-back."**

    Each work group developed an agreed paragraph description of the way each member was carrying out his job, and explored ways he might shift his managerial practices for greater effectiveness. This exercise "separates the men from the boys;" it takes courage to talk about one's boss and one's close associates to their faces. The success of the entire Phase depends on the degree of maturity, openness and trust evidenced in this exercise. For the most part, the Finance officers performed this task admirably and seemed to find it worthwhile. Much of the observed feedback was extremely candid, but well received.

3. **Goal Setting.**

    The essential element of Phase II is the activity wherein each work team analyzes and evaluates how it is operating, identifies work-related issues to be resolved, and sets specific goals to be reached for full effectiveness. At this point, Phase II ceases to be "training" and becomes a normal function of management. In a sense, Phase II never ends; as goals are reached the team sets additional goals for itself during the normal course of business.

4.   In Phase I, the Finance officers readily identified a number of very general problem areas within their organization, such as "planning," "communication," "headquarters - field relationships," and "lack of creativity." But in Phase II, a number of the teams had difficulty in identifying specific problems and specifying action which ought to be taken to deal with them.

C O N F I D E N T I A L

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5.   The statement of the goals of the Accounts Division is
appended on the next page as an example of what could be
accomplished. If the Division was successful in reading only
a few of these objectives, Phase II would have been worthwhile
for it, and possibly for the entire office.

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ACCOUNTS DIVISION MANAGEMENT GOALS

1. Devise means of creating a more stimulating atmosphere for persons performing routine, repetitious functions, with the view of maintaining a higher level of interest in the job and encouraging creative ideas and suggestions.

2. Review and evaluate accounting data appearing on vouchers and documents to determine types and patterns of deficiencies and errors and actions possible to improve product and eliminate recurrent mistakes.

3. Review T/A system to determine means of more efficient and economical handling, control, and recording of T/A's; and to consider whether the system itself may be substantially revised or replaced by new methods.

4. Review all internal procedures on a systematic basis to enable modernization and revision of procedures and instructions as necessary.

    a. Audit Report handling and review
    b. Recording and reconciliation procedures for Class A and WSHEADSET accountings

5. Develop means of promoting better understanding of each others functions and problems at the Branch level and increase inter-Branch exchange of information and ideas by all personnel. This will include examination of relationships between individuals and elements of the Division with the idea of establishing the entire Division as a more cohesive group.

6. Review personnel assignments to determine whether current staffing is quantitatively correct in relationship to work load and to identify and correct qualitative weaknesses.

7. Develop method of organized accumulation of data for inclusion in weekly activity report to the Director of Finance.

8. Establish means of formal identification of major work assignments, setting of target dates, and scheduling periodic management group meetings to add, delete and review progress of assignments.

9. Review and evaluate all Division reporting requirements in order to present recommendations for necessary and desirable revisions to Director of Finance for consideration, in connection with merger of Vouchered and Confidential general ledger systems.

10. Develop techniques and establish time schedules for training all affected Headquarters personnel in application of coding requirements under the merged general ledger system.

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